

Message Text

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P 122122Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS PRIORITY

INFO AMCONSUL FRANKFURT PRIORITY

UNCLAS STATE 110208

E.O. 11652: N/A

TAGS: BPRO, BTRA, BDIS, NI

SUBJECT: MANUFACTURE LICENSE REGULATIONS EFFECTING
IMPORTS

1. COMMERCE OIM, CMM, HAS BEEN ASKED BY GIBSON INTERNATIONAL CORP TO CONFIRM THE EXISTENCE OF NIGERIAN LAW (AND PROVIDE APPROPRIATE TEXTS) THAT WOULD SUPPORT GIBSON'S AGENT, ADBOWALE ELECTRICAL INDUSTRIES, LTD., LAGOS, CLAIM THAT BY SIGNING AN AGREEMENT WITH GIBSON TO MANUFACTURE ROOM AIR CONDITIONERS FROM KNOCKED DOWN IMPORT-ED COMPONENT ASSEMBLIES AND LOCALLY AVAILABLE MATERIALS, ADBOWALE ALONE WILL BE PREVENTED UNDER NIGERIAN LAW FROM FURTHER SALES OF THE IMPORTED BUILT UP GIBSON ROOM AIR CONDITIONER WITH EFFECT FROM THE DATE OF SIGNING THE LICENSING AGREEMENT. HOWEVER, ADBOWALE CLAIMS, HIS COMPETITION IS NOT RESTRICTED AND MAY IMPORT GIBSON AND A FULL LINE OF OTHER ROOM AIR CONDITIONERS UNTIL ADBOWALE'S PRODUCTION ENABLES PROTECTIVE TARIFFS TO BE IMPOSED UNDER THE INFANT INDUSTRY EXCLUSION--WHICH MAY TAKE 18-24 MONTHS.

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2. IN GIBSON'S EXPERIENCE, WHICH IS QUITE BROAD, OTHER

NATIONS' LAWS PROVIDE FOR LOCAL MANUFACTURE START UP
SCHEDULE,DURING WHICH PERIOD, THE AGENT/LICENSEE MAY

CONTINUE CASH FLOW FROM SALES OF THE IMPORTED ITEMS UNTIL
SUCH TIME AS LOCAL PRODUCTION CAN MEET LOCAL DEMAND.

3. GIBSON INTERNATIONAL CORP PRESIDENT HELMUT K.
MENHART DEPARTED U.S. MAY 8 FOR FRANKFURT AND, FOLLOWING
COMMERCE FRANKFURT TRADE CENTER REFRIGERATION AND AIR
CONDITIONING SHOW MAY 9 - 16, MENHART PLANNING ARRIVE
LAGOS O/A MAY 18. MENHART HAS INVITED ADBOWALE TO JOIN
HIM IN FRANKFURT.

4. ACTION: AT EMBASSY'S DEDISCRETION, WITHOUT USING
ADBOWALE, PLEASE IDENTIFY CURRENT NIGERIAN LAWS GOVERNING
THIS SITUATION, SO ADVISE GIBSON PRESIDENT IN FRANKFURT,
AND PROVIDE COPIES APPROPRIATE TEXTS ATTN: COMMERCE, OIM.
COMMERCE HAS SCREENED THE 1968 COMPANIES DECREE AND 1973
OCEANA (WORLD BANK) PUBLICATION ON NIGERIA'S INVESTMENT
CODE WITHOUT SUCCESS.

5. POST'S RESPONSE TO THIS REQUEST WILL ENABLE THE
CMM TO UPDATE APPROPRIATE PORTIONS OF OBR 74-66,
MARKETING IN NIGERIA. INGERSOLL

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